

Creditor Registration Information



Registration required by law

Some retailers act as creditors, financing the sales of their goods and services by allowing their customers to make payments over time. These creditors may include boat and manufactured home dealers, furniture and carpet retailers, home improvement and air conditioner sales and service companies, some medical offices, etc.

Texas law requires these creditors—individuals or companies that originate, service, or collect on retail installment agreements—to register their businesses with the Office of Consumer Credit Commissioner (OCCC). Creditor registration became mandatory in September 1987. The requirement extends to retailers that provide financing through third-party lenders as well as retailers that fund the financing themselves. Retailers that accept only full payment on the spot (including checks and third-party credit cards like Visa and Mastercard) in exchange for their goods and services *do not* need to register with the OCCC.

Benefits to your business

Registration is a simple, inexpensive process that can benefit your company in two key ways. First, your company is alerted to changes in the laws governing their credit practices by the OCCC, using the contact information on file. Also, the OCCC provides information on and clarification of the pertinent laws and interest rates. Upon paying your registration and renewal fees, you receive a decal to display at your business, letting your customers know that you are properly registered with the state.

Renewals even simpler than registrations

The registration must be renewed each year by October 31. The fee is the same for renewal as for registration: \$10 for creditors whose financing is governed by Chapter 345 of the Texas Finance Code (a category most retailers fall into) and \$15 for manufactured home dealers, governed by Chapter 347 of the Texas Finance Code. Each September, the OCCC sends a packet to each registered creditor containing an invoice for the renewal fee and a pre-printed form containing all the registration information on file. If no information has changed, you simply return the form with the minimal fee. If your business has undergone changes in ownership, location, or other key information, you can use this form to let us know.

You can further benefit your business by renewing on time each year. Failing to renew on time can result in a \$250 late filing fee, as can failing to register with the OCCC as soon as your business begins to offer financing. If you are paying the late filing fee for not registering before you began acting as a creditor, you will also need to get caught up by paying the renewal fee for each year your business has provided financing without being registered.

Licensing Requirement for Motor Vehicle Dealers and Financing Companies

Prior to September 1, 2002, motor vehicle sales finance companies were required to register as creditors. As of that date, however, companies that finance motor vehicle sales in Texas are required to meet more stringent licensing requirements and no longer need to register. The licensing requirement extends to dealers that provide financing themselves and to dealers that arrange financing with another lender for their customers, as well as the finance companies that provide financing to dealers' customers.

Frequently Asked Questions

1. How do I register and renew?

You can use the attached form for initial registration. Return this form with the appropriate fee to the OCCC at P.O. Box 12366, Austin TX 78711-2366. The form is online in the Registered Creditor section of the website: www.occc.texas.gov.

A renewal packet containing a brief form and renewal invoice will be sent to you at the address on file each September. To ensure that you receive this packet, please be sure to inform the OCCC if your address changes.

2. I'm not sure whether I need to register. How do I determine that?

Your first step is to read the laws that pertain to creditor registration. Later in this brochure is a list and the location of the laws that define the types of goods, services, and creditors that are subject to the registration requirement.

3. How do I get my initial or renewal certificate and where does it go?

Once your registration is approved or renewed, you must log into ALECS to print the certificate. Display it in a prominent location, readily visible to consumers.

4. I don't actually fund the financing or carry the notes myself. Do I still have to register with the OCCC?

Maybe. If you take the application for credit and get the contract signed, you are originating the contract and therefore need to register. If the customer goes to a finance company or other lender and comes back with the cash or a check to purchase your goods or services, then you don't have to register.

5. I have closed my business and am not selling anymore or I am open but not selling on credit anymore. Do I have to renew my registration?

If you still have any contracts on your books or are collecting on contracts from when you were doing credit business, you do need to renew. If you are not holding or collecting on any contracts, you do not need to renew, but you do need to notify the OCCC in writing that you are no longer selling on credit.

6. When would I have to pay the \$250 late filing fee?

If your business began to offer financing without first registering with the OCCC, you must pay the late filing fee upon initial registration to make your registration retroactive to the date you started financing. Note that you will also need to pay the renewal fee for each year your business has provided financing without being registered. See the fee calculation worksheet on the registration form.

The \$250 fee is also due if you fail to renew on time (October 31 of each year). The OCCC mails renewal packets in September of each year to help keep registrations up to date.

7. How do I find the complete creditor registration laws that govern my daily operations?

Chapters 345 and 347 of the Texas Finance Code are part of the Texas Credit Laws, a publication of the OCCC. You can view that publication online in the Legal/Statutes and Rules section of our Web site at www.occc.texas.gov. You can get a paper copy of the laws for \$5.00 by contacting Ann Harrington at 512.936.7619. This brochure contains a list of the relevant laws by chapter and section.

8. What else should I know?

Contracts or agreements made under Chapters 345 or 347 of the Texas Finance Code—the contracts that registered creditors would be using—must contain a specific notice to consumers as a separate section or otherwise conspicuously set out from the rest of the contract. Following is the notice:

"To contact (insert authorized business name of retail seller, creditor, or holder as appropriate) about this account call (insert telephone number of retail seller, creditor, or holder as appropriate). This contract is subject in whole or in part to Texas law which is enforced by the Consumer Credit Commissioner, 2601 N. Lamar Blvd., Austin, Texas 78705-4207; (800) 538-1579; (512) 936-7600, and can be contacted relative to any inquiries or complaints."

9. What if I have more questions or need more information?

Contact Ann Harrington in the OCCC licensing and registration section at 512.936.7619 or email ann.harrington@occc.texas.gov.

Creditor Registration Form

Required information in **BOLD**

Owner or Corporation Name: _____

DBA Name, if any: _____

Compliance Person: _____

Email for Compliance Person: _____

Street Address:* _____

Mailing Address (if different from physical address): _____

City _____ **State** _____ **Zip** _____

Phone Number (with area code): _____ **Fax Number:** _____

Federal Employee Identification Number or Social Security Number: _____

State License #, if any (such as P#, RBI#, TACL#): _____

Date Began Selling on Credit in TX or Buying TX Receivables: _____

* When registering multiple locations, attach a list with addresses, phone numbers and contact names for all locations

Send check payable to
**OCCC and completed
registration form to:**
Office of Consumer Credit
Commissioner
PO Box 12366
Austin TX 78711-2366

Amount of Registration Fees

Consumer Goods & Services, Chapter 345: Number of locations _____ x \$10 = \$ _____

Manufactured Housing, Chapter 347: Number of locations _____ x \$15 = \$ _____

Late filing fee amount (Line C from calculation box), if applicable = \$ _____

Check # _____ **Total Due = \$** _____

Late Filing Fee Calculation

A retail creditor that fails to register with the OCCC as soon as it begins to offer financing is liable for a late filing fee of \$250 per location plus a variable amount that allows the business to get caught up by paying the renewal fee for each year the business has provided financing without being registered. **This amount is due only once, upon initial registration.** The total amount due for late filing can be calculated by filling in lines A, B, and C.

A. Multiply # of locations _____ x yearly renewal fee (\$10 or \$15) \$ _____ x # of years not registered _____ = \$ _____

B. Multiply \$250 late filing fee x # of locations _____ = \$ _____

C. Total amount due for late filing: Lines A + B = \$ _____

Registration Regulations

Following is a list of the laws and administrative rules pertaining to creditor registration. All of these are available online in the Texas Credit Laws link in the Legal/Statutes and Rules section of www.occc.texas.gov.

General Definitions of Terms (Texas Finance Code, Chapter 345)

- **Chapter 345, Section 002. Goods.** §345.002 defines goods as they pertain to the registration requirement.
- **Chapter 345, Section 003. Services.** §345.003 defines services as they pertain to the registration requirement.
- **Chapter 345, Section 351. Registration of Holder.** §345.351 contains the registration requirement.
- For important operational information, the remainder of Chapter 345 may be useful.

Manufactured Housing (Texas Finance Code, Chapter 347)

- **Chapter 347, Section 002. Definitions.** §347.002 defines key terms of the manufactured housing industry.
- **Chapter 347, Section 451. Registration of Certain Creditors.** §347.451 requires the registration of manufactured home dealers offering financing.
- For important operational information, the remainder of Chapter 347 may be useful.

Penalties for Failure to Register or Renew on Time (Texas Finance Code, Chapter 349)

- **Chapter 349, Section 301. Payment of Fees.** §349.301 states that a company can limit its liability by paying a late filing fee and paying all registration fees that should have been paid for prior years.
- **Chapter 349, Section 302. Late Filing Fee for Registering or Renewal of Registration.** §349.302 stipulates that a \$250 late filing fee must be paid.

Administrative Rules Applicable to Registration (Texas Administrative Code, Chapter 1)

- **Chapter 1, Section 901. Consumer Notifications.** §1.901 indicates that contracts or agreements made under Chapters 345 or 347 of the Texas Finance Code must include a particular consumer notification. The wording of the notification is set forth in the rule itself, and is provided in this brochure's Frequently Asked Questions section.
- **Chapter 1, Section 902. Consumer Notifications.** §1.902 provides for the annual renewal fees and requires decal display.
- For additional important information, see the remainder of Chapter 1, Subchapter P, Registration Of Retail Creditors.